

Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 NEA-10 ADP-00 SCEM-02 SSO-00 CCO-00

NSCE-00 USIE-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08 CEA-02 PA-03

PRS-01 L-03 H-03 RSR-01 INRE-00 /175 W

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O 111315Z AUG 73

FM AMEMBASSY TRIPOLI

TO SECSTATE WASHDC IMMEDIATE 404

INFO AMEMBASSY LONDON IMMEDIATE

AMEMBASSY JIDDA IMMEDIATE

AMEMBASSY KUWAIT IMMEDIATE

AMEMBASSY BEIRUT IMMEDIATE

USING CAIRO IMMEDIATE

USINT ALGIERS IMMEDIATE

C O N F I D E N T I A L TRIPOLI 1030

E.O. 11652 GDS

TAGS: ENGR, LY

SUBJECT: LARG NATIONALIZATION OF 51 PER CENT OF OCCIDENTAL INTERESTS
IN LIBYA

1. EMBASSY INFORMED AT 1400 HRS LOCAL 11 AUGUST THAT WILLIAMSON OF
OCCIDENTAL TOLD BY PRIMIN JALLUD AT 1045 HRS THAT LARG HAD "JUST
NATIONALIZED 51 PER CENT OF OCCIDENTAL INTERESTS IN LIBYA". JALLUD
SAID HE HOPED COMPANY WOULD CONTINUE OPERATING AND THAT LARG WOULD
KEEP ITS 51 PER CENT OF CRUDE "IN THE GROUND FOR THE TIME BEING".
OCCIDENTAL NOT GIVEN COPY OF DECREE AND TERMS OF COMPENSATION OR BUY
BACK NOT FIRM IN JALLUD'S NATIONALIZATION STATEMENT.

2. PRIOR TO 11 AUGUST NATIONALIZATION WILLIAMSON MET WITH JALLUD 9
AUGUST. JALLUD THEN SAID THAT LARG PLANNED NATIONALIZE 51 PER CENT
AND ASKED THAT OCCIDENTAL "AGREE" TO STEP. IF NO OCCIDENTAL
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AGREEMENT FORTHCOMING, JALLUD SAID THAT LARG WOULD IMMEDIATELY

NATIONALIZE 51 PERCENT AT LARG TERMS. IF OCCIDENTAL THEN REJECTED TERMS OF 51 PER CENT GRAB, LARG WOULD TAKE REMAINING 49 PER CENT. COMPENSATION NOT CLEAR IN 9 AUGUST STATEMENTS, BUT JALLUD SAID LARG WOULD SELL ITS CRUDE BACK TO OCCIDENTAL AT 4.90 US DOLLARS PER BARREL. WILLIAMSON THEN SAID HE COULD NOT AGREE TO TERMS. WILLIAMSON SUBSEQUENTLY MET WITH PETMIN MABRUK 10 AUGUST UNTIL 2300 HOURS AND FOR ONE FINAL TALK EARLY 11 AUGUST, PRIOR TO WILLIAMSON'S SUMMONS BY JALLUD. DURING FINAL TALKS, MABRUK STUCK TO 4.90 DOLLARS BUYBACK PRICE AND ADDED THAT DECREE WOULD BE RETROACTIVE TO 1 JANUARY 1973. MABRUK ALSO TOLD WILLIAMSON THAT OCCIDENTAL WOULD "FACE SUPPLEMENTAL PAYMENT" TO MEET RETROACTIVITY OF NATIONALIZATION. WILLIAMSON CONTINUED TO REJECT LARG TERMS UNTIL JALLUD ANNOUNCED 51 PERCENT NATIONALIZATION.

3. OASIS GROUP SCHEDULED TO MEET WITH PETMIN AT SOME TIME 11 AUGUST, BUT HAD NOT BEEN CALLED AS OF 1400. AMOSEAS NOT YET SCHEDULED FOR ANY TALKS WITH LARG.

4. JALLUD TOLD WILLIAMSON THAT DECREE WOULD BE ANNOUNCED ON RADIO "AT ONCE". THERE WAS NO RPT NO MENTION OF NATIONALIZATION ON 1430 HRS TRIPOLI NEWSCAST IN ARABIC.

5. GLOSS OF AMOSEAS, WHO IS LOCAL INDUSTRY COORDINATOR WITH EMBASSY, AND FOLMAR OF TEXACO, WHO WAS SOURCE OF PARA 1-3 ABOVE, SUGGEST THAT INDUSTRY WOULD PREFER USG TO WAIT FOR CLARIFICATION OF DECREE BEFORE MAKING ANY OFFICIAL REACTION. EMBASSY WILL REMAIN IN TOUCH WITH INDUSTRY REPS HERE AND ADVISE ANY DEVELOPMENTS. INDUSTRY OFFICIALS IN US WILL BE IN DIRECT CONTACT WITH DEPARTMENT. LACK OF DETAILS IN JALLUD'S ANNOUNCEMENT AND LARG DELAY IN PUBLIC ANNOUNCEMENT INDICATE INDUSTRY MAY STILL HAVE ROOM FOR NEGOTIATION OF NATIONALIZATION DETAILS.

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